

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF CINCINNATI)	
BELL INC., FOR AUTHORITY TO)	CASE NO. 8174
ADJUST ITS RATES AND CHARGES)	
AND TO CHANGE ITS TARIFFS)	

O R D E R

On February 9, 1982, Cincinnati Bell, Inc., ("Cincinnati Bell") filed tariffs to be effective March 1, 1982, in accordance with the Commission's order entered September 9, 1981, which produce additional annual revenues of \$576,631 required to offset the additional depreciation expense of \$693,819 due to the implementation of represcribed depreciation rates for customer premises equipment and digital data systems equipment on a remaining life basis.

On February 12, 1982, the intervenor, Gallatin County, Grant County, Pendleton County and the cities of Dry Ridge, Falmouth, Warsaw and Williamstown ("Gallatin County, et al."), filed a motion for the Commission to suspend the proposed rates as the revenue requirement was based on the usage separation rather than the revenue split separation method. The method of separation is an issue in the pending rehearing of this case. As the Commission has not rendered a final decision on this issue, Gallatin County, et al. requested that the rates be suspended and

that Cincinnati Bell also be required to file under the revenue split separation method.

Cincinnati Bell subsequently filed a memorandum on February 23, 1982, which stated that the usage method produced the more conservative revenue increase in this instance and that it should therefore be permitted to place the rates into effect as proposed.

In response to Cincinnati Bell's memorandum, Gallatin County, et al. filed a motion on February 25, 1982, stating its objection to the determination of absorption potential based on the earnings test under the usage method of separation, as the ability to absorb all or a portion of the increase in expense would differ depending on the separation method used.

The Commission is of the opinion and finds that as the usage method of separation produces the more conservative revenue requirement for the depreciation rate prescription, it is appropriate for the tariffs to be effective March 1, 1982.

The Commission is, however, of the opinion and finds that since a final decision in the rehearing concerning separation methods has not been rendered, Cincinnati Bell should provide the information contained in its notice of February 9, 1982, under the revenue split method. Moreover, as the results obtained under the revenue split method could show that Cincinnati Bell's earnings for the calendar year 1981 exceeded the 13.5 return on equity found fair, just and reasonable, the Commission is of the opinion

and finds that the present increase in rates and charges should be effective subject to refund, pending a final decision in the rehearing.

IT IS THEREFORE ORDERED that Cincinnati Bell is hereby authorized to place into effect on March 1, 1982, the rates and charges in the proposed tariff filing. The pages of the proposed tariff filing hereby approved are:

General Exchange Tariff

PSCK NO.3

Section 8

1st Revised Page 3
1st Revised Page 4
1st Revised Page 5
1st Revised Page 6
1st Revised Page 7
1st Revised Page 8
1st Revised Page 10
1st Revised Page 11
1st Revised Page 12
1st Revised Page 13

Section 14

2nd Revised Page 26
3rd Revised Page 27
1st Revised Page 27.1
1st Revised Page 27.2
1st Revised Page 27.3
1st Revised Page 27.4
1st Revised Page 27.5
1st Revised Page 27.6
2nd Revised Page 111
2nd Revised Page 118

IT IS FURTHER ORDERED that the increase in revenue from these rates and charges shall be collected subject to refund.

IT IS FURTHER ORDERED that Cincinnati Bell shall maintain its records in such manner as will enable it, the Commission or any of its customers to determine the amounts to be refunded and to whom due in the event a refund is ordered by the Commission.

IT IS FURTHER ORDERED that Cincinnati Bell shall furnish to the Commission the exhibits contained in its February 9, 1982, notice under the revenue split separation method on or before March 15, 1982.

IT IS FURTHER ORDERED that Cincinnati Bell shall furnish the Commission within 20 days after the date of this order its revised tariff sheets as approved herein.

Done at Frankfort, Kentucky, this 1st day of March, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohy
Chairman

Katharine Randall
Vice Chairman

Jim Carrigan
Commissioner

ATTEST:

Secretary

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF GENERAL)
TELEPHONE COMPANY OF KENTUCKY) CASE NO. 8295

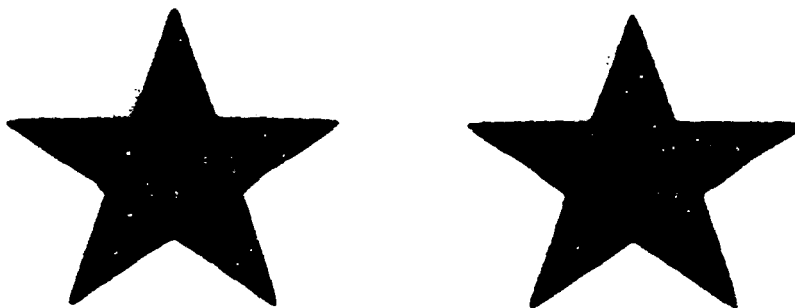
AND

THE TARIFF FILING OF GENERAL)
TELEPHONE COMPANY OF KENTUCKY)
REGROUPING THE NICHOLASVILLE) CASE NO. 8416
AND WILMORE EXCHANGES)

O R D E R

On January 20, 1982, the Commission issued its Order in the above-styled matters, wherein General Telephone Company of Kentucky ("General") was authorized to implement the remaining-life method of depreciation accounting for its various plant accounts. On February 9, 1982, General requested a rehearing in this matter, stating that the Commission had committed "material errors of fact", and asked for reconsideration on all accounts where the proposed depreciation rates were not allowed. General specifically mentioned Sub-Account C203 (Automatic Switching) and Account C604 (Buried Cable). Additionally, General requested approval for the use of equal life group ("ELG") for all of its plant accounts because the Federal Communications Commission ("FCC") approved the use of ELG for General Telephone Companies of Florida, Michigan, Indiana and Ohio, which are all subject to FCC jurisdiction.

CORRECTION



***PRECEDING IMAGE HAS BEEN
REFILMED
TO ASSURE LEGIBILITY OR TO
CORRECT A POSSIBLE ERROR***